Measures to safeguard the security of gas supply

2016/0030(COD) - 25/10/2017 - Final act

PURPOSE: to safeguard the security of gas supply in the European Union.

LEGISLATIVE ACT: Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010.

CONTENT: this Regulation aims to **reinforce the European Union energy security**, reducing its dependency on others for energy supplies and ensure that all the necessary measures are taken to safeguard an uninterrupted supply of gas throughout the Union, in particular to protected customers in the event of difficult climatic conditions or disruptions of the gas supply.

The Regulation is part of the <u>energy union strategy</u>. It provides for:

- for **exceptional measures** to be implemented when the market can no longer deliver the gas supplies required, including solidarity measure of a last resort;
- the clear definition and attribution of responsibilities among natural gas undertakings, the Member States and the Union regarding both preventive action and the reaction to concrete disruptions of gas supply;
- **transparent mechanisms** concerning, in a spirit of solidarity, the coordination of planning for, and response to, emergencies at national, regional and Union level.

The main elements of the Regulation are:

- **enhanced regional cooperation and coordination** set on risk-based groups of Member States mandatory regional preventive action plans and emergency plans, as well as regional risk assessments, to be prepared jointly by all member states within the same risk-group;
- establishment of a **Gas Coordination Group** to facilitate the coordination of measures concerning the security of gas supply;
- mandatory regional preventive action plans and emergency plans, as well as regional risk assessments, to be prepared jointly by all member states within the same risk-group. In this context, the European Network of Transmission System Operators for Gas (ENTSOG) shall, by 1 November 2017 at the latest, carry out a Union-wide simulation of gas supply and infrastructure disruption scenarios. This simulation shall be repeated at least every four years;
- the obligation for each Member State or its competent authority to ensure that the necessary measures are taken so that, in the event of the **failure of the largest gas infrastructure**, the technical capacity of the remaining infrastructure, is able to satisfy total gas demand of the calculated area during a day of exceptionally high gas demand occurring with a statistical probability of once in 20 years;
- the obligation for natural gas companies identified by the competent authorities to take measures to **ensure the supply of gas to protected customers** (i.e. households and customers providing essential social services) of the Member State, by example in the case of extreme temperatures during a peak period of 7 days or a period of 30 days of exceptionally high gas demand;
- a **solidarity mechanism** which will have a mandatory application in extreme crisis scenarios in which supply to solidarity protected customers as an essential need and a necessary priority is at stake in a Member State. At the same time, solidarity is a measure of last resort that applies only in an emergency and only under restrictive conditions. The Member State providing solidarity should be paid **fair compensation** promptly by the Member State receiving solidarity;

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- increased control over the provisions of gas supply contracts: the Regulation provides for the obligation to automatically notify the competent authority of contracts between a supplier and a buyer covering the equivalent of 28% or more of the annual consumption of gas on the national market;
- specific obligations of the EU Member States towards the **Energy Community**, as well as Commission powers to coordinate the application of the legal framework between the EU and the Energy Community.

ENTRY INTO FORCE: 1.11.2017.

DELEGATED ACTS: the Commission may adopt delegated acts with regard to the composition of risk groups as well as templates for risk assessments and for preventive action plans and emergency plans. The power to adopt such acts is conferred on the Commission for a period of **five years** (renewable) from 1 November 2017. The European Parliament or the Council shall have the right to oppose a delegated act within a period of two months (extendable two months) from the notification of the act.